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This examination of non-tax-support for junior colleges disclosed that few of them are taking full advantage of available private, corporate, or foundation funds. As foundations appear to be the most likely contributors, the author has presented suggestions for preparing the request for funds. Among items on the preparation checklist, the asking agency is reminded to (1) keep in mind that a challenging program is usually more attractive than a crisis case; (2) do thorough research on the foundation's interests, purpose, and way of operating; (3) be sure of the names and titles of the officers; (4) find out what form the preparation should take, whether preferred or mandatory; (5) describe the project completely (current state, foreseeable development, value of expected results); (6) list present assets (funds, facilities, equipment, staff), specify additional needs, and prepare an itemized budget for their use; (7) include the qualifications of the senior staff; (8) do not submit the same proposal to another foundation until the first has made a decision. Other factors, alternatives, and cautions, as well as case histories, are given. (HH)

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PRIVATE FINANCES FOR PUBLIC JUNIOR COLLEGES

INTRODUCTORY IDEAS

by

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CLEARINGHOUSE FOR
JUNIOR COLLEGE
INFORMATION

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PRIVATE FINANCES FOR PUBLIC JUNIOR COLLEGES
INTRODUCTORY IDEAS

I. Considering Private Funds for Public Junior Colleges

Junior college administrators are increasingly concerned with the financial aspects of their educational enterprise. Voter reaction to the increased financial load is beginning to have serious consequences on some schools.

Many efficiencies will undoubtedly result from the financial squeeze, but also many worthwhile programs will be dropped, not to mention new ones that will never be developed. This loss may be serious.

While there are many theories about the possibilities of reorganizing the method of allocating tax dollars to local junior colleges, most of them will not substantially reduce the actual tax being paid.

One does not assume that the use of private funds through contributions, co-operation, and joint ventures is the sole answer to the dilemma, but certainly there is some indication that more adequate utilization of this resource may substantially assist the educational program.

This presentation will hopefully be of practical assistance to administrators who are not familiar with the private financial resources of their institutions. While all of the information is included for its inherent value, it may also prove to be an encouragement and inspiration.

Private support of education is not new in this country. From the earliest days, the educational enterprise has enjoyed considerable financial support from the private sector.

Notwithstanding the generosity and humanitarian motives of individuals and business, the special tax laws encouraging this support have played a significant role. The early philanthropy of religious

groups in the educational picture literally underwrote the first educational enterprises.

Today billions of dollars are contributed by individuals and business, and a new phenomenon is catching the attention of many people. The private sector is increasing support by direct gifts to schools they have already partly provided for by their tax money. The possible advantages of combined private and public support of educational enterprises may produce a unique institution. It is, of course, hoped that this united support may allow for the best of both systems.

In this pragmatic age, men are increasingly concerned with meeting the educational needs of our people. Old systems, rules, patterns and approaches may be abandoned more rapidly than one would have dreamed possible even five years ago. The flexibility and adaptability of our educational systems to meet needs may have a significant effect on the stability of our society.

For the present day educator, it seems several things are important:

First, we should be current in understanding and analyzing educational needs.

Second, we should be quick to discard useless and ineffective programs, methods, and ideas, even if this means loss of personal gain or position. Seeing beyond our affiliations to the real needs and opportunities is important.

Third, we should dream, allowing our better ideas an opportunity for expression and experimentation.

Fourth, we should utilize all of the resources of support to do the job.

At least one of the conclusions to be drawn from the Thorson Report, is that school boards are not allocating funds for parts of educational enterprise in the way several sectors of the people expect them to. This situation indicates a serious gap. It may also be part of the reason for increased availability of private funds for education.

The tally of last year's charitable giving (chart follows) is encouraging to those looking to this sector for support.

The report on private support for community colleges (report follows) may be one of the most valuable pieces of news in a long time for underfunded public educational programs. If this support is available to other junior colleges, surely it is available to our schools and just about every other public educational program.

The recent program of major businesses in support of education is gratifying. Many U.S. corporations are making direct contributions, and several hundred take part in the "Matching Gifts to Education" program. Under this program, the corporation gives one dollar to an educational institution for every dollar contributed by an employee. You may secure information by writing to:

The American Alumni Council
1707 N Street, N.W.
Washington, D. C. 20036

for full information and a list of businesses participating.

The progressive lead of the Ford Foundation in making a significant contribution to our society will undoubtedly free billions of dollars for education in the coming years (article follows). A listing of major foundations and their interests is in:

The Foundation Directory

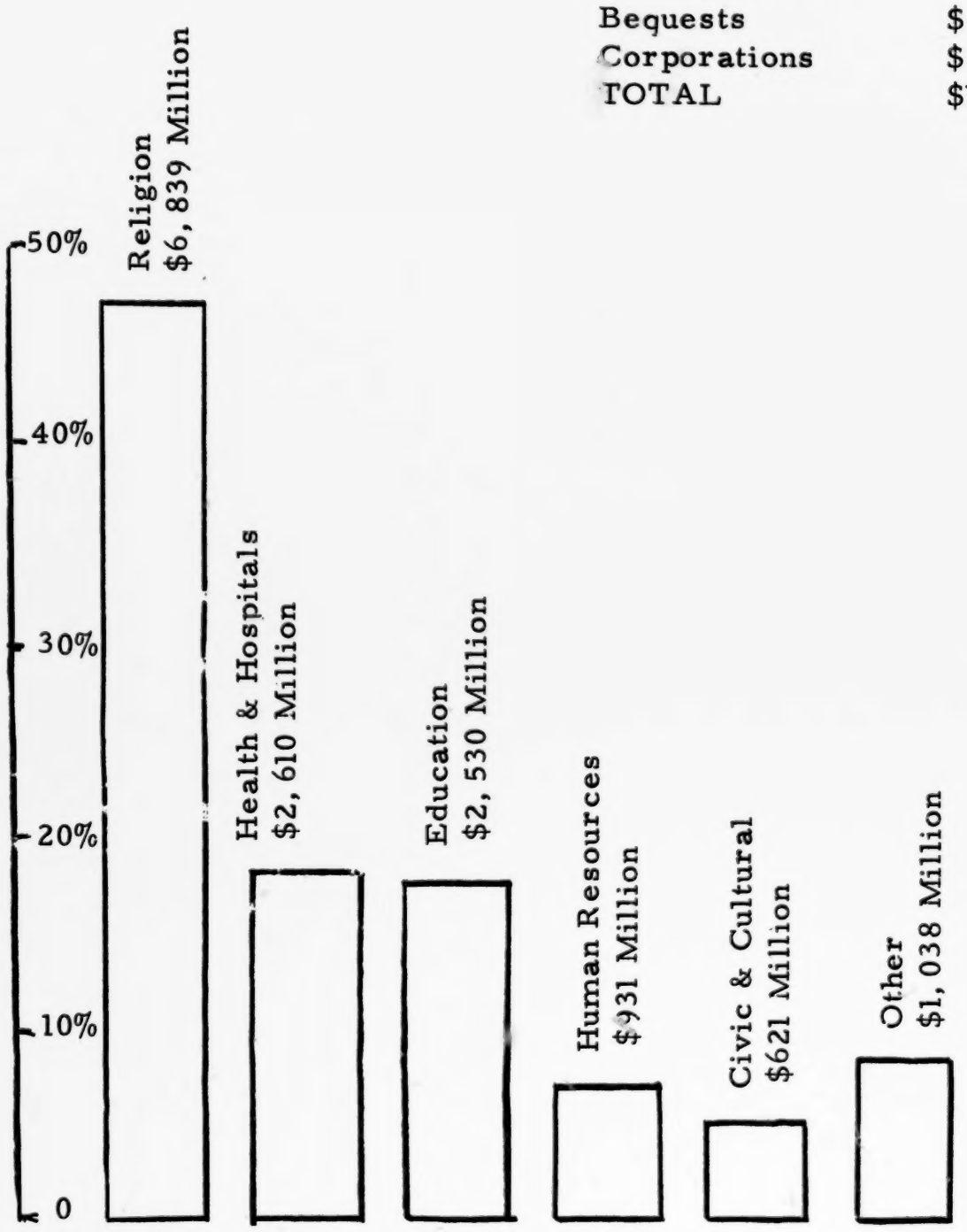
Prepared by The Foundation Library Center, Marianna O. Lewis, Editor. Published by Russell Sage Foundation, New York.

There is enough money available to do worthwhile things in junior college education in this country. If our goals are not met, it may be because we failed to utilize our total resources.

THE AMERICAN GIFT OF GIVING

SOURCES

Individuals	$11, 144	Million
Foundations	$ 1, 250	Million
Bequests	$ 1, 263	Million
Corporations	$ 912	Million
TOTAL	$14, 569	Million



Americans contributed nearly $14. 6 Billion to charitable and philanthropic causes during 1967, according to estimates announced by the American Association of Fund Raising Counsel. The total represents an increase of about $1 Billion over estimated total giving for 1966 and more than doubles an estimated $6. 7 Billion ten years ago.

II. Private Support of Junior Colleges

The most interesting piece of research which was found in preparation for this report was a study by Fred H. Bremer and Floyd S. Elkins,[1] published in September, 1965. Also of interest was a dissertation by George Bauer Toll,[2] entitled Voluntary Support of California Public Junior Colleges, submitted to the School of Education in 1966. There are other articles and books on this subject, but it was felt that these two pieces of research were the most significant. Fred H. Bremer is now the President of Saddleback Junior College in Southern California.

In order to provide information about philanthropy for public community colleges, Bremer and Elkins sent questionnairs to a number of institutions. Two hundred and ninety-four of the questionnaires were returned and analyzed. Of this number, 44.5% received no voluntary support. The amount of support received by 163 colleges during the period of the study, July, 1960, through July, 1963, increased 70.9% to an average annual amount of $6,334,659.00. The best supported Junior Colleges were in the Middle Atlantic and North Central areas of the United States. Those schools which had an enrollment between 300 and 1,300 students received more money per student than did the schools which were larger or smaller.

Foundations were the largest contributors, and the largest amount of support was designated for buildings and equipment. The 129 colleges that were not affiliated with a public school board received substantially more support than the 165 schools which were public boards of education. It is important to note that 10 of the 376 schools in existence in 1961 received two-thirds of all of the reported private contributions. Six Junior Colleges received more than one million dollars. Thus, for the purposes of this study the bulk of private support was concentrated in only a few institutions.

The Bremer and Elkins Study

One of the tests of the public support of junior colleges is the amount of financial support it receives from private sources.

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1. Fred H. Bremer and Floyd S. Elkins, ERIC Report (Syracuse, N. Y.: Adult Education Clearing House, September, 1965).

2. George Bauer Toll, Voluntary Support of California Public Junior Colleges (An unpublished dissertation, University of California, Los Angeles, 1966).

Vocal support of the junior college may be heard, but the real test of support is financial aid or constructive behavior by individuals and groups.

There is little information about the amount of financial support junior colleges have received from non-public sources. This study, completed at the University of Texas as a part of the W. K. Kellogg Junior College leadership program, provided definitive information about philanthropy for public community colleges.

The data was obtained by sending questionnaires to 376 public junior colleges listed in the 1961 Junior College Directory. Replies were received from 294 colleges, or 78.21% of all such institutions in the United States. Of this number 131, or 44.5%, received no voluntary support. The remaining 55.5% of the responding colleges received a total of $19,003,977.00 for the three-year period July, 1960, through June, 1963, or an average annual amount of $6,334,659.00.

There was an average increase of 15.1% in the amount received during the second year of the data period as compared with the first year, and an increase of 48.6% from the second to the third year. The overall increase in voluntary support from the first year of the data period to the end of the third year was $3,494,538.00, or 70.9%. The greatest support received during this period was $3,069,500.00 by a college in New York.

A breakdown was made of the average annual philanthropic support into geographical regions. As the figures in Table II show, the greatest total average annual amount, $2,244,357.00, was received by the colleges in the Middle Atlantic States. The North Central Region ranked second, having received a total average annual amount of $2,080,595.00. The total average annual amount received by the colleges in each of the remaining regions was less than $1 million, with the South, the West, the Southwest, and New England following in that order.

Colleges in New York and in Michigan received more average annual support than did the colleges of the other states in their respective regions combined. New York ranked first with an average annual amount of $1,578,711.00. Michigan followed closely with $1,547,924.00. The data in Table II also give the average annual amount per college for each state in the various regions and the total average annual amount per college for each of the regions as a whole. Disregarding regional lines, the information in Table II shows that

Georgia ranked first in average annual amount per college with $186,959.00. Indiana was second with $165,306.00, and Michigan was third with an average of $128,994.00.

Colleges received their largest gifts in the form of cash, which made up almost 50% of the total amount received. Gifts of buildings exceeded $6 million, with land counting for $2,284,600.00. Stocks, bonds and other gifts exceeded $1.6 million.

When contributions are analyzed by size of college enrollment, it becomes apparent that those in the middle range -- between 300 and 1,300 students -- were the recipients of the largest amount of private support. The institutions in the 0-299 range received a total average annual support of $456,512.00, and those with 1,300 plus students received $815,733.00. Colleges in the 600-1,299 range ranked first with a total average annual amount of $2,890,955.00 followed closely by those in the 300-599 range with $2,171,459.00.

Stated another way, the colleges in the middle enrollment range received substantially more money per student than did the very small or very large institutions. The seventy-eight colleges with at least 1,300 students received only $3.00 in private support per year for each student. Seventy-two colleges with the smallest enrollments received an average of $38.00 per year per student. The most heavily supported institutions had enrollments between 300 and 599 students, receiving an average of $69.00 per year per student.

Foundations were far and away the heaviest contributors to public community colleges. During this period they made available $10,053,209.00. These contributions were approximately 2 1/2 times those given by the next largest contributor, non-alumni. Miscellaneous sources of gifts accounted for almost $3 million, while corporations contributed a total of $1,352,749.00. It is not surprising that alumni gifts accounted for a little over one-half million dollars of the total. This relatively light support of community colleges by alumni may be, in part, due to the relative youth of the institutions themselves and the fact that a majority of the colleges had organized programs for alumni. One hundred forty-four colleges had alumni clubs but only thirty-one reported the existence of organized alumni funds. Few public community colleges belonged to the American Alumni Council; only eleven held active membership while 283 did not belong to this organization.

By far the largest amount of the support received in cash, or gifts converted to cash, was earmarked for buildings and equipment. The second largest category was for scholarships, which amounted to

10% of all gifts for the three-year period. Approximately $1.5 million was unrestricted contributions which could be used by the colleges at their discretion. Smaller amounts were made available for operational costs, library materials, and student loan funds.

The 129 colleges independent of public school control fared substantially better than the 165 institutions under public boards of education. The autonomous institutions received a total of $11,259,178.00, as compared to $7,744,799.00 received by the other group. Not only did the total contributions to these two types of institutions vary significantly, but in each category or source of gift the independent school significantly outstripped those which were extensions of public schools. This difference is particularly apparent when the average annual amount per college is examined. Apparently, the colleges having their own boards of control have successfully established a more effective public image and have, therefore, been the recipients of both a greater number of gifts and collectively larger sums of money.

It appears that public community colleges are receiving increased attention and interest from individuals and organizations willing and able to provide funds for further improvement and expansion. Although such colleges are tax-supported, it is apparent that they need philanthropic support in order to expand essential educational services and to improve their programs. In general, private funds were garnered from local sources, from individuals, and groups who had had an opportunity to observe the contributions made by the college to the community.

On the negative side it was somewhat disappointing to find that 131 of the responding colleges had received no voluntary support. Some respondents blandly replied that theirs was a tax-supported institution and they did not solicit nor expect gifts and grants from private sources. This attitude would seem to impose unnecessary limitations upon the ultimate potential of some colleges. One can hardly imagine public, four-year institutions writing off private support in this way.

The study also revealed that ten of the 376 colleges in existence in 1961 received two-thirds of all reported gifts. Six colleges received more than $1 million. Thus, the bulk of the private support was concentrated in a few institutions. Further, it became apparent that private giving to most colleges was concentrated in only one or two of the six categories. These results lead to the idea that much of the giving to public community colleges is due to readiness by individuals and groups in the community rather than to systematic fund-raising efforts by the college itself.

TABLE 1

SUMMARY OF QUESTIONNAIRES SENT
AND RECEIVED BY STATES

State	Number Sent	Number Received	Per Cent Received Each State	Per Cent of Total
Alaska	3	2	66.2	.53
Arizona	2	1	50.0	.27
Arkansas	1	0	00.0	00.00
California	64	56	87.5	14.89
Colorado	5	5	100.0	1.33
Florida	22	17	77.2	4.52
Georgia	8	3	37.5	.80
Idaho	3	1	33.3	.27
Illinois	22	16	72.7	4.25
Indiana	1	1	100.0	.27
Iowa	16	16	100.0	4.26
Kansas	14	11	78.6	2.93
Kentucky	1	1	100.0	.27
Maryland	10	8	80.0	2.13
Massachusetts	5	3	60.0	.80
Michigan	15	12	80.0	3.19
Minnesota	8	7	87.5	1.86
Mississippi	17	15	88.2	3.99
Missouri	7	4	57.1	1.06
Montana	2	2	100.0	.53
Nebraska	4	4	100.0	1.06
New Jersey	1	1	100.0	.27
New Mexico	4	3	75.0	.80
New York	24	20	83.3	5.32
North Carolina	2	1	50.0	.27
North Dakota	4	4	100.0	1.06
Oklahoma	11	9	81.8	2.39
Oregon	2	1	50.0	.27
Pennsylvania	16	7	43.8	1.86
Texas	30	25	83.3	6.65
Utah	3	3	100.0	.80
Vermont	1	1	100.0	.27
Virginia	1	1	100.0	.27
Washington	10	9	90.0	2.39
West Virginia	1	1	100.0	.27
Wisconsin	31	19	61.3	5.05
Wyoming	5	4	80.0	1.06
37 States	376	294	-----	78.21

TABLE II

AVERAGE ANNUAL PHILANTHROPIC SUPPORT RECEIVED BY PUBLIC JUNIOR COLLEGES BY REGIONS, 1960-63

Regions	Number of Colleges	Total Amount	Average Annual Amount	Average Annual Amount Per College
Middle Atlantic				
Maryland	8	$ 43,977	$ 14,659	$ 1,832
New Jersey	1	1,000	333	333
New York	20	4,736,133	1,578,711	78,937
Pennsylvania	7	1,951,961	650,654	92,951
TOTAL	36	$6,733,071	$2,244,357	$ 62,343
New England				
Massachusetts	3	$ 116,655	$ 38,885	$ 12,962
Vermont	1	0	0	0
TOTAL	4	$ 116,655	$ 38,885	$ 9,721
North Central				
Illinois	16	$ 12,966	$ 4,322	$ 270
Indiana	1	495,919	165,306	165,306
Iowa	16	836,297	278,766	17,423
Kansas	11	30,003	10,001	909
Michigan	12	4,643,773	1,547,924	128,994
Michigan	...		...	
Minnesota	7	12,417	4,139	591
Missouri	4	3,400	1,133	283
Nebraska	4	1,350	450	113
North Dakota	4	177,813	59,271	14,818
Wisconsin	19	27,850	9,283	489
TOTAL	94	$6,241,788	$2,080,595	$ 22,138
Southern				
Florida	17	$ 713,907	$ 237,969	$ 13,998
Georgia	3	1,682,632	560,877	186,959
Kentucky	1	0	0	0
Mississippi	15	5,750	1,917	128
North Carolina	1	10,374	3,458	3,458
Virginia	1	75,000	25,000	25,000
West Virginia	1	2,067	689	689
TOTAL	39	$2,489,730	$ 829,910	$ 21,279
Southwestern				
Arizona	1	$ 11,370	$ 3,790	$ 3,790
New Mexico	3	61,038	20,346	6,782
Oklahoma	9	32,795	10,932	1,215
Texas	25	1,556,785	518,928	20,757
TOTAL	38	$1,661,988	$ 553,996	$ 14,578
Western				
Alaska	2	$ 0	$ 0	$ 0
California	56	1,161,562	387,187	6,914
Colorado	5	29,565	9,855	1,971
Idaho	1	0	0	0
Montana	2	2,500	833	417
Oregon	1	139,980	46,661	46,660
Utah	3	60,890	20,297	6,766
Washington	9	268,148	89,383	9,931
Wyoming	4	98,100	32,700	8,175
TOTAL	83	$1,760,745	$ 586,916	$ 7,071

TABLE III
TYPES OF GIFTS

Types of Gifts	Total Amount	Average Annual Amount	Average Annual Amount Per College
Cash	$ 9,049.866	$ 3,016,622	$ 10,261
Land	2,284,600	761,533	2,590
Buildings	6,008,571	2,002,857	6,812
Stocks and bonds	896,565	298,855	1,017
Other	764,375	254,792	867
TOTAL	$19,003,977	$ 6,334,659	$ 21,547

TABLE IV
AVERAGE ANNUAL AMOUNT RECEIVED
PER STUDENT

Enrollment Range	No. of Colleges	Average Annual Amount Per Student
0 - 299	72	$ 38.00
300 - 599	71	69.00
600 - 1299	73	45.00
1300 and more	78	3.00

TABLE V
SOURCES OF GIFTS

Sources of Gifts	Total Amount	Average Annual Amount	Average Annual Amount Per College
Alumni	$ 563,065	$ 187,688	$ 639
Non-alumni	4,078,962	1,359,654	4,625
Corporations and businesses	1,352,749	450,917	1,534
Foundations	10,053,209	3,351,070	11,398
Religious denominations	6,225	2,075	7
Other	2,949,767	983,255	3,344

TABLE VI

DESIGNATED PURPOSES OF CASH GIFTS

Purposes of Cash Gifts	Total Amount	Average Annual Amount	Average Annual Amount Per College
Unrestricted	$1,413,261	$ 471,087	$1,602
Restricted			
a. General operation	936,398	312,133	1,062
b. Buildings and equipment	8,763,237	2,921,079	9,936
c. Books and manuscripts	142,890	47,630	162
d. Student loan funds	256,827	85,609	291
e. Student scholarships	1,930,050	643,350	2,188
f. Other restricted gifts	145,233	48,411	165

TABLE VII

A COMPARISON OF THE SOURCES OF GIFTS RECEIVED BY PUBLIC JUNIOR COLLEGES WHICH ARE EXTENSIONS OF PUBLIC SCHOOL SYSTEMS AND THOSE COLLEGES WHICH ARE SEPARATE FROM PUBLIC SCHOOL SYSTEMS, 1960-63

	165 Colleges Which Are Extensions of Public School Systems			129 Colleges Which Are Separate From Public School Systems		
Sources of Gifts	Total Amount	Average Annual Amount	Average Annual Amount Per College	Total Amount	Average Annual Amount	Average Annual Amount Per College
Alumni	$ 246,585	$ 82,195	$ 498	$ 316,480	$ 105,493	$ 818
Non-alumni	951,097	317,032	1,921	3,127,865	1,042,622	8,082
Corporations and businesses	461,723	153,908	933	891,026	297,009	2,302
Foundations	4,946,936	1,648,979	9,994	5,106,273	1,702,091	13,195
Religious denominations	1,625	542	3	4,600	1,533	12
Other	1,136,833	378,944	2,297	1,812,934	604,311	4,685
TOTAL	$7,744,799	$2,581,600	$46,938	11,259,187	$11,259,178	$87,280

III. Foundation Support of Higher Education

While there are several sources of information on the history of foundation contributions to higher education, the Bremer and Elkins Report as well as the report by Toll contained the information most pertinent to the junior college administrator. Whether the historical roll of the Foundation in the development of American higher education is of significant importance to the present activity of a Junior College seems questionable. The historical overview does make interesting reading, and Curti and Nash have an interesting treatment of the subject in their book.[3]

Of considerable importance to the current scene in foundations support of junior colleges may be the feeling of McGeorge Bundy as expressed in the recent Fortune Magazine article by Irwin Ross.[4] For this reason the article has been included in its entirety in this report.

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3. Merle Curti and Roderick Nash, Philanthropy in the Shaping of American Higher Education (New Brunswick: Rutgers University Press, 1965).

4. Irvin Ross,"McGeorge Bundy and the New Foundation Style," Fortune Magazine (April 1968).

McGEORGE BUNDY AND THE NEW FOUNDATION STYLE by Irwin Ross

"...there has developed in this country a degree of public blandness which does us no credit. Neither in business, nor in the professions, nor in government is there enough encouragement to independent activities by young men. The 'organization man' is not merely a slick phrase. He is a growing menace to us all... Foundations ought to stand against this kind of thing. They should begin by encouraging both variety and energy of expression in their own staffs. They should put a premium upon diversity in their grant-making and be ready to give a hand to the unorthodox... They should contribute in as many ways as they properly can to honest public discussions of issues which are controversial."

Most men who resign a prominent position on the White House staff to return to private life can be sure that their days of great and visible power are over. This has not been the experience of McGeorge Bundy, the brilliant and highly publicized chief foreign-policy aide of Presidents Kennedy and Johnson. Since leaving the White House two years ago, Bundy has continued to generate headlines--and far more public controversy than he ever did in presidential service. As president of the Ford Foundation, the largest and broadest-guaged philanthropy in the country, he has lived up to that stated credo and led the way in making the private foundation a significant third force in American life--a powerful engine for social change independent of the dominant power centers of business and government.

The large and prestigious foundations (Ford, Rockefeller, Duke, Carnegie) have always been worthy institutions, supporting exceedingly useful work in education, medical and scientific research, the social sciences, the arts. But they have generally avoided or dealt gingerly with such troublesome domestic issues as race relations, poverty, urban decay, the plight of the slum schools. Bundy, by contrast, has immersed the Ford Foundation in every one of these emotionally charged areas. He has brought a new style and a new dimension to foundation management. As none of his predecessors, he has exploited the full powers of his job, potentially always one of the most influential in the country--for there is no other private agency that can freely dispose of such enormous largess ($3 billion in assets, some $200 million in annual grants) over so vast an area of human concern.

Personally and corporately, Bundy cuts a wide swath: Almost two years ago, he made his first impact as foundation president with an unorthodox plan for financing educational television from the profits of a communication satellite system that would span the U.S. The issue was one central to the foundation's concern, for in the past fourteen years it had spent some $120 million on educational TV without much more to show for its money than the survival of its beneficiaries. With all the bravura p.r. flourishes of a major Washington demarche, Bundy proposed to the FCC that a public corporation operate the satellite system, charge fees to the commercial TV networks to carry their programs, and use some of the savings to subsidize educational television. Predictably, he collided head on with the Communications Satellite Corp. and A.T.&T. The argument continued for months; the FCC has so far made no decision.

He recently precipitated an acrimonious controversy in New York with a report to the mayor advocating a drastic decentralization of the city's school system. Bundy recommended a devolution of control from a single, city-wide Board of

Education to between thirty and sixty community school boards, the goal being to re-establish contact between the schools and the neighborhoods they serve, particularly in Negro and Puerto Rican sections. The mayor has bought a modified version of the scheme; mean-time, Bundy has been fending off brickbats from critics as diverse as the teachers' union, the school supervisors, and the New York Board of Rabbis.

He has jolted academic administrators with an unexpected critique of the investment policies of American colleges and universities. Excessive caution was their basic problem, in Bundy's view. He pointed out that the capital portfolios of American colleges and universities were estimated at $12 billion. A 1 percent improvement in their average annual performance (including interest and appreciation) would come to $120 million a year, more than twice what the Ford Foundation was then spending on education.

To show the potentialities of educational television, he gave an unprecedented $10 million to finance the Public Broadcast Laboratory's two-year experimental TV show, which was extravagantly touted for months in advance. "P. B. L.'s goal," the full-page ads proclaimed, "is to demonstrate every Sunday night just how inventive, provocative and important Public Television can be." So far P. B. L. has demonstrated no such thing, but a great foundation can afford occasional failure.

For over a year now, he has been busily financing Negro action groups to work on a variety of civil-rights and poverty programs. Last July he gave $175,000 to the Congress of Racial Equality for work in the Negro slums of Cleveland. The grant became front-page news because CORE had recently become a militant advocate of "black power." Neither Ford nor any other major foundation had ever given it any money. Bundy, however, had no hesitation in financing CORE, for it did not advocate violence and it did propose a useful program--primarily a voter-registration campaign and a year-round effort to develop youth and adult leadership, which would seek to organize slum residents in a drive for better jobs, schools, and housing. Some such program was necessary. Bundy was persuaded, to prevent a recurrence of the riots that had erupted in Cleveland's Hough district during the previous summer.

So far, the CORE operation has shown a measure of success: new groups of leaders have been developed and the energetic voter-registration drive, which gave employment to scores of young Negroes, was a factor in the election last November of Carl B. Stokes, the first Negro to be elected major of one of the top U.S. cities. There was also no rioting in Cleveland in the summer of 1967. While other groups were at work in the city, the Ford Foundation clearly deserves some of the credit for a peaceable summer.

"I may be wrong but I'm not in doubt"

Bundy goes at his tasks with great zest. A trimly built, bespectacled man of average height, at forty-nine he is still pink-cheeked and boyish-looking, despite graying sandy hair and a receding hairline. He is brisk in speech and movement, straightforward, informal--but never folksy; it is hard to visualize him in the Johnson White House, not to speak of the ranch. He employs the eminently flattering greeting of the Kennedy brothers ("How are you?," the accent

always falling on the pronoun), but there is a bit of reserve, perhaps shyness, about him; he does not venture into first-name familiarity at first or even fourth meeting.

Since his college days he has had a reputation for not suffering fools gladly. He has been known to cut people off, as in his White House period, with a blunt "You're wrong!" or "That's absurd." Among the memorable anecdotes about his asperity is his encounter, while dean of the faculty of arts and sciences at Harvard, with a pompous professor who was going on sabbatical leave. Bundy and the professor had had a few run-ins in the past, but now his antagonist said amiably, "Mac I hope you won't think ill of me when I'm away." To which Bundy retorted, "When you're away, I don't think of you at all."

These days, Bundy's techniques are gentler. As Fred W. Friendly, his television adviser, describes the process: "You say something irrelevant and he doesn't even hear you. A glaze comes over his eyes. But when he hears the relevant, all the lights blink. That impatience with the obvious is almost like an internal editing machine." Bundy, however, can be impatient even with relevant discourse, often intercepting the conversational ball at the half volley and finishing the other fellow's sentence for him. Staff men report that they transact business faster with him than with anybody else. On the telephone, his manner is relaxed and engaging, but few people are more deft at husbanding their time. An old friend from Washington recently kept him on the phone for ten minutes. When they finished the subject in hand, she began on a new theme with the opener, "I have a clipping--" to which Bundy responded, politely but firmly, "Will you send me a Xerox copy?" That ended the conversation.

He is equally impatient with bureaucratic conventions. When he first came to the foundation, the staff at times used a stock phrase with which to reject unacceptable applications for grants--something to the effect that 'the project does not fall within our current program." A draft of one such letter of rejection was shown to Bundy. He scribbled on the margin, "Program, schmogram. What are the merits of the case?"

In the Bundy era, nothing is turned down because it does not fit within programmatic confines, unless the proposal involves areas, such as religion and recreation, with which the foundation does not deal at all. Bundy also encourages the widest initiative on the part of the staff, at every level. "He has a very undogmatic, clear-eyed approach," says David E. Bell, former administrator of AID and now Bundy's vice president for international affairs, "and a willingness to listen to any idea no matter how nutty -- so long as he doesn't have to listen too long. (Early in his White House days, Bundy's search for a wide diversity of views led him to hire Marcus G. Raskin, now something of an ideologue of the fringe left, as a disarmament specialist on the staff of the National Security Council. "Mac just wanted his own peacenik," one of Bundy's admirers and Raskin's detractors explains. Raskin lasted fifteen months. Recently he was indicted, along with Dr. Benjamin Spock and others, for urging the young to resist the draft.)

While Bundy encourages dissent and visibly enjoys argument, he is firm when he makes up his mind. At one memorable staff meeting, he suddenly said, "Look, I'm settled about this. Let's not talk about it any more. I may be wrong, but I'm not in doubt."

At home with the Establishment

Bundy's trustees are not dismayed by the controversy he engenders; they had hired him, in large part, to move the foundation in new directions. For some time they had been increasingly dissatisfied with Henry T. Heald, Bundy's predecessor for the prior nine years. Heald was a superb administrator, but a cautious man who was primarily interested in higher education and lacked any passion for social innovation. Not that the foundation, under Heald, limited its benefactions to higher education; it committed $306,800,000 for aid to underdeveloped countries, made large grants to the arts, and did a certain amount of pioneering work in the cities. With but few exceptions the programs under the Heald regime were "safe"; however useful, there was nothing daring or controversial in giving $80,200,000 to symphony orchestras. In an era of turbulent racial relations and incipient urban chaos, the largest foundation in the country, in the view of many trustees, had an obligation to be far more venturesome. Moreover, there had been growing friction between Heald and the trustees. Heald tended to keep them at arm's length, and disliked any programmatic initiative on their part. John J. McCloy, the prominent banker and lawyer who was then chairman of the trustees, finally told Heald that the time for change had come. Heald announced his resignation in mid-1965.

There was a large measure of irony in the trustees' growing restiveness with Heald's caution and conservatism: some years before, those qualities had seemed eminently desirable. The foundation had gone through several phases in its relatively brief history. Established in 1936 in Michigan, it was a local philanthropy for its first fifteen years, giving a mere #37,600,000. It went national in 1950, after receiving the bulk of the estates--mostly in Ford Motor Co. stock--of Henry Ford and Edsel Ford. Paul Hoffman, the former Marshall-plan administrator, became president. His was a visionary, slambang era in the foundation's history--full of controversy and administrative disorder. Henry Ford II, then chairman of the foundation's board, took the lead in forcing Hoffman out; he had lasted almost two and a half years. In March, 1953, H. Rowan Gaither Jr., a lawyer who was also chairman of Rand Corp., became the next president, and an era of administrative tidiness began. Gaither resigned in the fall of 1956, because of illness, and Heald came in.

After Heald's resignation, the board's nominating committee considered a list of prospects before offering the post to Bundy. A three-man delegation waited upon him--McCloy, Henry Ford, and Julius A. Stratton, then president of M.I.T. and now board chairman of the foundation. Bundy was regarded as a natural for the job, for he was a national figure who combined an impressive record at the topmost level of government with impeccable academic credentials; he was an intellectual of distinction who was intimately familiar with the university community; and he knew every Establishment figure worth knowing, from Jack McCloy to Arthur M. Schlesinger, Jr.

The presidency of a major foundation is a job that crosses many disciplines; Bundy's own career has the same hybrid quality. From adolescence, he always had high aspirations, but he did not confine them to any particular field. By avoiding a narrow professional focus, he was in a position to shoot at whatever targets of opportunity came his way. At every stage, there was an effortless quality to Bundy's progress. He was not only abundantly talented--dazzling in his mental agility, facile with words, deft at handling people (particularly his admiring elders). He was also astute in his choice of parents. His father, Harvey

Hollister Bundy, a Harvard Law graduate, had made a brilliant marriage with Katharine L. Putnam, the niece of A. Lawrence Lowell, then president of Harvard. In Boston, the Bundys could not have had better social connections, later of great help to their children, particularly to McGeorge. The family was also well off. None of their five children ever had to worry about money in making a choice about education or career. Harvey, Jr., the oldest son, is now a business executive in Gloucester, Massachusetts; William, who has had a long career in government, is Assistant Secretary of State for East Asian and Pacific Affairs.

At odds with "Das Kapital"

McGeorge, the youngest son, was born in Boston on March 30, 1919, and named after his paternal grandfather. At school, he was always a quick study and invariably stood at or near the top of his class. Within the family his intellectual competitiveness took the form, one summer, of finding one complicated new word a day in the dictionary and trying to use it to stump his father at dinner. At Groton, where he graduated in 1936, he developed an interest in public affairs and for a year or so, in his words, he was a "raving socialist." One of his mentors suggested that he read Das Kapital if he was serious; Bundy did so during summer vacation and renounced socialism.

At Yale he majored in mathematics but also took a number of courses in history and economics. He wrote a column for the Yale Daily News, was active in the Political Union, and considered himself a liberal in politics, but without party affiliation. International affairs engaged him; he was deeply involved in the interventionist-isolationist argument that divided thoughtful undergraduates. Bundy was always a fervent interventionist. He graduated in 1940, with highest honors, but without a clue as to his future career.

That autumn, back in Boston, he became a Republican, largely because of involvement in a senatorial campaign against the incumbent isolationist, Democrat David I. Walsh. Bundy's candidate lost. After the election, Bundy spent the better part of a year in Latin America, and in the autumn of 1941 he was installed at Harvard as a Junior Fellow. That November, Bundy made his only bid for public office, running for city council from a Republican ward in Back Bay Boston; he somehow managed to lose.

After Pearl Harbor, he got a job in Washington with the Office of Facts and Figures, a wartime agency headed by Archibald MacLeish, an old family friend. Some months later, he managed to enlist in the Army Signal Corps as a private, despite his bad eyes. He was a second lieutenant for only a few months when Admiral Alan G. Kirk, another old family friend, plucked him from obscurity and gave him a job as military aide. Kirk was commander of amphibious forces for the Atlantic Fleet. Bundy was on the U. S. S. Augusta with the top brass to view the D-day landings, found himself in Paris shortly after the liberation, and ended his tour of duty in the occupation forces in Japan.

In 1946 he got a rare assignment: collaboration with Henry L. Stimson in the production of his memoirs. Stimson, then seventy-eight, had a legendary career in public service, with two tours as Secretary of War and one as Secretary of State. Needing a ghostwriter, he turned naturally to the son of his good friend

Harvey Bundy, who had been Assistant Secretary of State under Stimson in the Hoover Administration and in World War II his special assistant in the Pentagon. Once again, the old-boy network was working across the generational lines, but Bundy turned out a superb book (Stimson allowed him to share the byline), which first brought his name to a wide audience and established his credentials as a scholar.

Bundy did not seek an academic post, however, for he found government and politics far more exciting. In April, 1948, he got a job in Washington with the Economic Cooperation Administration, remaining until he was recruited as a speech writer in Thomas E. Dewey's presidential campaign. Like everybody else, Bundy was certain of Dewey's victory, and he anticipated a post in the State Department. His hopes went crashing with Dewey's. In 1949 he returned to Harvard as a visiting lecturer ("from nowhere," he points out), a job that was in the nature of a trial assignment. Two years later, he achieved tenure as an associate professor of government. By this time he was already married to Mary Buckminster Lothrop, daughter of a Boston banker. Though not normally given to hasty decisions in important matters, Bundy had proposed marriage to Miss Lothrop after two dates. They now have four sons.

Work in a congenial atmosphere

Bundy was an excellent teacher, a spellbinding lecturer, and a man whose coruscating conversation often made him the liveliest member of the dinner party. But while he had the intellectual equipment for scholarship, he lacked the temperament for it; he much preferred running things to writing about them (a preference that has led some of his friends, over the years, to speak of his "power drive"). In 1953 he accepted the offer of Harvard's new president, Nathan M. Pusey, to be dean of the Faculty of Arts and Sciences. He was thirty-four; even then he had some important boosters who had advanced his name for the presidency of the university.

Bundy made a superb dean. He helped create a congenial atmosphere for venturesome young scholars, and he was liberal about spending money to attract and hold academic talent, the latter being one of the principal functions of a dean in an era of incessant faculty raids. The job also gave him useful personal exposure. One member of the board of overseers who came to know and admire Bundy was Senator John F. Kennedy; Bundy reciprocated the regard and supported Kennedy in 1960. After the election, his name was seriously proposed for Secretary of State, but Kennedy regarded him as too inexperienced for the top post and so Bundy wound up on the presidential staff.

As Special Assistant for National Security Affairs, Bundy was nominally in charge of coordinating the flow of incomeing papers from State, Defense, the CIA, and other agencies. He likes to refer to the job as that of "traffic cop," but it was far more than that. Bundy was responsible for spotting the important issues, putting alternative courses of action before the President, summarizing the pros and cons of every significant argument. He also did follow-up work, seeing that presidential decisions were put into effect. He had daily contact with both Presidents whom he served; inevitably, he was in a position to proffer advise of his own.

A hand in policy decisions

Bundy made more of the job than another man might have, for he soon established an easy rapport with Kennedy. Their chemistry was similar. They both communicated in quick exchanges, had a gift for understatement, engaged in irreverent throwaway lines. Bundy's speed was impressive; he always drove quickly to the core of the argument; and he wrote the crispest memorandums in Washington. On occasion, he would sit at a meeting of the National Security Council, listening to the discussion and at the same time writing a NSAM--National Security Action Memorandum--for the President's signature. When the discussion ended, the memorandum would be finished.

He had a hand in every major foreign-policy decision in the Kennedy years and left his mark on many of the President's foreign-policy speeches. He also wrote a number of the communications that Kennedy sent to Khrushchev. He spoke for the President in the day-to-day operations of the intelligence community, chairing a committee that supervised certain activities of the CIA and the other intelligence agencies.

Bundy's substantive contributions to policy are difficult to trace. Presidential death and reticence impede the inquiry and Bundy himself does not talk about such matters. On Vietnam, for example, he favored the Administration's course throughout, though, he says, he differed on some details; he does not specify the details. He certainly shares responsibility for the Bay of Pigs disaster in April, 1961, for he was not as diligent as he later became in turning over all the stones and asking all the skeptical questions. Senator Robert Kennedy recalls that Bundy's support was significant in persuading his brother of the wisdom of the test-ban treaty in 1963, though Bundy did not initiate the project. His hand can also be clearly seen in persuading Johnson, late in 1964, to abandon the poorly conceived proposal for a European multilateral force.

President Johnson, whom Bundy served for over two years, speaks of him in generous terms. "I don't think it's possible for him to be excelled," says Johnson. "He's a man of unusual energy, quickness, and intelligence. He was constantly exploring and plowing new fields." Bundy was out of the White House for only fifteen months when Johnson recalled him, at the time of the Arab-Israeli war, for a two-month stint at his old "traffic cop" job.

The bid to join the Ford Foundation came in the autumn of 1965, after Bundy had served in the White House for the better part of five years. He felt it was time for a change. Though he has abundant energy, he was weary of twelve-hour workdays, six days a week. He wanted more time for his family and for himself. He was also enormously attracted by the potentialities of the Ford Foundation job. A less important consideration was the $75,000 annual salary that the job carried, for both Bundy and his wife have private means.

Taking over the presidency on March 1, 1966, he spent his first months studying every phase of the foundation's structure and activities. At the time it had twelve separate programs--seven in the U.S. and five abroad. Rigid jurisdictional lines separated the programs and there was little interchange of personnel or even communication between them. Bundy developed a more flexible arrangement; at the end of the year the board of trustees approved his plan of reorganization, which grouped the twelve programs into four divisions: National Affairs, Inter-

national, Education and Research, and Humanities and the Arts. A flatter organizational table was also set up, with some grades eliminated. All this promoted easier communication from top to bottom, as well as laterally. Bundy also made considerable use of the task-force device, picking people from different fields whose talents might be useful on a specific job. Beyond that, he let it be known that he welcomed fresh ideas.

A cutback in commitments

In financial matters, Bundy was in some ways a conservative. For some time the foundation had been spending far more than its income and capital gains (as of last September 30, the excess had come to $1,157 million of its principal). This volume of largess could not continue, unless the foundation wanted to spend itself out of existence. Some estimable foundations have done just that, believing they could have maximum impact by committing large sums over a relatively brief span of time. Bundy and the trustees deliberated about the matter and decided to stay in business.

The consequence of that decision was a drastic cutback in future commitments. In fiscal 1967, expenditures and commitments declined to $262,672,000, a decrease of about $100 million from the preceding year, and in the current year Bundy intends to hold the outflow to some $200 million, about a quarter of which he hopes will be covered by capital gains. For the first time, the foundation is hewing closely to a planning budget. One major consequence of the retrenchment was the suspension of the special program of capital grants to colleges and universities, which had cost the foundation $325 million over a six-year period. The money, given on a matching basis, was for the general improvement of higher learning.

Bundy accompanied his announcement of the cutoff with that pointed advice to his former academic colleagues about their dismaying caution in investing their endowment funds. He subsequently set up an expert committee to study the financial performance of institutions of higher education. Bundy's rebuke received headline attention; it also caused a backlash of criticism about the financial performance of the Ford Foundation itself. (As FORTUNE pointed out in its August, 1967, issue in Personal Investing, over the ten-year period 1956-66 the foundation's portfolio showed a gain of only 35 percent, as compared with a 63 percent increase in the Dow-Jones average.) The basic problem, as with the universities, lay in the conservatism of the foundation's portfolio management: too high a proportion of assets was held in fixed-income securities. In fiscal 1967 the Ford Foundation's showing improved -- a 17.8 percent gain versus 19.7 percent for the D-J.

The striking thing about Bundy's leadership was the speed with which he displayed a reforming zeal in domestic affairs. Since his college days his specialized interest has been in foreign affairs; he had never shown any great interest in the problems of poverty, urban decay, the victimization of Negroes, or the plight of migrant workers. In his case, philosophy seems to have followed function -- which is not to say that the philosophy is insincere, merely that his job has changed.

The value of a foundation

The new Bundy was first vividly on display in a remarkable speech before the National Urban League in Philadelphia on August 2, 1966. Formally setting

forth the position of the Ford Foundation, he stated: "We believe that full equality for all American Negroes is now the most urgent domestic concern of this country. We believe that the Ford Foundation must play its full part in this field because it is dedicated by its charter to human welfare." The foundation would not work in any single area or through any single "chosen instrument." He considered the familiar listing of Negro needs as jobs, education, and housing to be correct, but stressed the importance of leadership, research, communication between Negro and white, not to speak of simple justice.

A foundation could be of great value with selective assistance, but the major job would have to be done by government and business. Bundy endorsed the view of economist James Tobin of Yale that the "single most important step the nation could take to improve the economic position of the Negro is to operate the economy steadily at a low rate of unemployment." He agreed with Tobin that only an excessive fear of inflation and of a balance-of-payments deficit kept the government from reducing the level of unemployment to 3 percent--at which point Negro unemployment would be cut in half. Bundy spoke of the interlocking problems of the Negro and the city. "If the ghetto pulls the central city down ..if bad schools drive out good parents of all colors; if slums beget slums and hatred hate...then we shall know a time when the shame of Lincoln Steffens' cities will seem a tale of Pollyanna." He ended, speaking for himself rather than the foundation, by calling for the same "level of effort--financial and political and personal" to be applied to the problem of American Negroes that is expended on the Vietnam war. He saw no reason why the economy could not afford both efforts.

In the months that followed, Bundy "put his money where his mouth is," in the old phrase. Large general support grants were voted for the National Urban League and the National Association for the Advancement of Colored People. Not only was CORE assisted, but Martin Luther King's Southern Christian Leadership Conference was granted $230,000 for a program to train ministers in the problems of the cities. Bundy was undeterred by the fact that at the time the grant was announced Dr. King was planning the "massive dislocation" of Washington and possibly other large cities. The Ford Foundation, it is clear, is not financing massive dislocation; if the press or Congressmen get confused about the two programs, that would hardly be Bundy's fault. In funding Negro groups, the merits of a specific program are not the only consideration motivating the foundation: there is also some hope that financial help may influence militant organizations in a responsible direction. It is not a question of buying anybody off, but of undercutting the argument of the extremists that "all the whites are against us."

The emphasis Bundy has placed on the problems of the Negro and the city is reflected in the foundation's budgetary allocation. The programs now comprehended in the Division of National Affairs received $20,200,000 in fiscal 1966, $36,600,000 in 1967, and this year are budgeted for $40 million. At the same time the financing of Education and Research has declined from $103,400,000 in 1966 to $45 million in 1968; over the same period, international activities have declined from $116,600,000 to $65 million. As an indication of his concern for the field, Bundy himself headed up National Affairs for about a year before he hired Mitchell Sviridoff to take it over. Sviridoff, who is paid

$50,000 a year as a vice president, is an unusual choice for a high-ranking foundation executive; Bundy's predecessor would probably not have hired him. A trade-unionist whose formal education ended with high school, Sviridoff worked in an aircraft factory prior to World War II, was an auto-union organizer, and the long-time head of the C.I.O. in Connecticut. He made an outstanding reputation as director of New Haven's anti-poverty agency, was imported by Mayor John Lindsay to head New York's Human Resources Administration, one of the city's new super-agencies, and then was hired away by Bundy.

The power to make grants

Many of the National Affairs programs have a high risk potential--the risk of failure as well as of adverse publicity. Bundy's technique, to carry his board with him, is the simple one of full consultation. Every innovation and potentially controversial activity is discussed at length; the board meets for two full days each quarter and before each meeting the trustees are sent thick packets of material to brief them. Informal consultation with board members continues throughout the year.

The board reposes sufficient confidence in Bundy to turn over much of the grant-making power to him. It has increasingly adopted the practice of passing broad "appropriations," giving Bundy the power to make the individual grants. Thus, at the September, 1967, meeting, the board authorized an appropriation of $3 million to study the subject of income maintenance and income incentives for the poor. No specific projects were mentioned; among other things, the staff is now trying to devise techniques for an experiment involving the negative income tax. If adequate controls can be devised, the Ford Foundation will literally give money away to impoverished individuals to bring their income up to a predetermined standard. There has been a lot of theorizing about the negative income tax. This would be its first test.

Bundy has now spent two years at the foundation--too brief a period for his friends to play the old game of "What will Mac do next?" Most men would regard the presidency of the Ford Foundation as the pinnacle of a career, but Bundy points out that he has never spent more than seven years in any job. He is happy where he is and by no means restless, but it is notable that no major job opens up in Washington--be it Secretary of Defense or Secretary of HEW--without Bundy's name prominently figuring in the speculation about the new appointee. Most friends believe that he would like one day to be Secretary of State, but he understandably refuses to confirm that aspiration. Meantime, he is content to exercise far more power, in more diverse fields, than any foundation president before him.

Introduction to Foundations as a Field of Support

The suggestions of this section were derived primarily from the interviews conducted for this report.

The field of foundation giving is very limited and highly-specialized field. The more one learns about the foundations themselves, the better the chances of securing their financial support.

Knowledge of a foundation comes only from close association with the foundation and its personnel, rather than just reading about the foundation, reviewing its reports, or correspondence.

While most foundations try to act in an impersonal and objective way, they are made up of human beings. The personal desires of officers and directors may influence grants more than is realized. Therefore, it is important to know the personal likes and dislikes of the officers and directors.

Foundation grants seem to go toward challenging programs rather than "crisis" programs. Foundation executives indicate that representatives seeking grants spend too much time presenting current operating needs and building programs. They would like more information on unique, innovative specialities and programs.

Background Information

Among the first things one will want to research about foundations will be:

How do foundations conduct their business?
For what do they give money?
How much do they give?
Where do they give it?
Where to begin in making a presentation?

There are a few of the questions which need to be answered before approaching any foundation. The following information has been found to be very useful in the preparation of presentations.

1. Gather information about the foundation as to:

    a. name of officers
    b. field of interest
    c. legal structure

d. firmly established purposes
e. size of endowment
f. method of operations
g. correct mailing address
h. date of founding.

2. Choose the right type of foundation for your particular request. There are approximately 5,000 foundations and they fall into five general types: Major, Medium-size, Individual, Corporate, and Special Interest.

3. Obtain in advance from the foundation information as to the form in which it prefers proposals be submitted:

a. simple, typed letter of application?
b. printed forms with instructions followed (one or ten copies, etc.)?
c. The terms under which the foundation normally makes grants?
d. Whether the proposal is to be in technical language written by the persons who will administer the grant, or are interpretations to be in layman's language only?

4. Foundations are interested in facts. Elaborately prepared, and obviously expensive and voluminous applications are more likely to create suspicion than arouse interest. (The same goes for emotionalism and crisis-psychology.)

5. Major foundations are inclined to resent personal pressurized approaches to individual trustees; however, smaller foundations may welcome expressions of interest from friends in whom they have confidence.

Remember, it is the "pump-priming" appraoch that interests a foundation. (The "bucket brigade emergency" that helps put out a fire and rescues from bankruptcy, or protects investment, has little appeal for them.)

The Development Program and Foundation Presentations

It is assumed by a foundation that a development program, defined in its broader aspects, has a plan which has been based on thorough study of the entire organization making the request. Such a study has explored:

a. The aims and objectives of the organization.
b. The manner in which those objectives can best be attained.
c. Review of the business operation, and application management

techniques.

d. How large the organization will grow in the foreseeable future, and what physical plant changes are required to meet these needs.
e. The financial requirements to achieve all the goals.
f. The methods by which the necessary funds will be obtained.
g. Agreement on the development approach and program.

When an organization has completed its Master Planning, developed its case and its leadership, and has written (or printed) its story in readily understandable form, and gained support from its known constituencies, it is ready to tackle a foundation.

Unfortunately, there is no one answer to the question of "how to approach a foundation." There is no secret formula, new or old. The size of the foundation (staff and endowment) as well as the personal philosophy of the founders dictates diversity.

There are common denominators in the technique of making presentations. The technique can be classified into two stages:

Stage One: The development of "the case" around opportunity, not charity.

Stage Two: The presentation of the case, preferably in person.

The first stage is the most difficult and time-consuming. Without a well-defined, well-thought-out case, the actual presentation is doomed to failure. The case must be one that will compare most favorably with other cases of similar nature. Elements in presenting the case include the degree of self-help the organization has already achieved; what it is currently doing to help further its own cause; what is the evidence of urgency and determination; and what has been the record of support from the organization's constituencies (board, advisors, staff, friends, alumni and others).

Fundamentals of Foundation Presentations

The main ingredient of successful foundation presentation is the laying of proper groundwork. This is usually a long, tedious, detailed task.

1. First, make a thorough study of the foundation and its administration. Take into account the individuality of each in relation to your particular organization. Start from scratch. Assume nothing. What the

foundation did in a previous presentation must be reviewed in the new context.

2. Key the presentation. Does the foundation lack appreciation of the achievements and problems of your school's purpose? Does it have an intimate knowledge of your field of service? Is the foundation sensitive to creating a favorable climate of public opinion, or is restricted geographical interest the primary concern? Key the presentation according to the findings.

3. Make the presentation in person (if at all possible). Forestall negative conclusions which might be reached if the presentation were to be received in the mails. Have a mutual friend also present. A corporate executive is the best. Thus, one businessman is convincing another.

The Right Approach in Foundation Presentations

The two "secrets" of a successful foundation approach are:

Secret No. 1: A tailor-made appeal to fit the foundation interests.

Secret No. 2: The right contact between the right people at the right time in the right place in the right way.

Re: The Tailor-Made Appeal. In principle, the first approach is usually in writing, brief, clear and concise. However, there are exceptions, and refinements as well, which should be recognized. Major grants come only from long preparation and negotiations, rather than on the basis of a routine letter or call.

The tailor-made appeal requires careful and thorough planning, research, and approach. Can you build a significance into your presentation that will be unique? Can you build a case bigger than your particular organization's scope of service? (This concept is very important.) Can you present your needs in terms of a newand exciting project, a new opportunity for reaching a particular group of people in a special way, or a new contribution to the world community, the national interest, or a regional or local situation?

First steps in making such a tailor-made appeal would be to:

1. Select the foundation with the appropriate field of interest for your organization.

2. Determine the type of program to be offered.

3. Make a first contact by either informal personal telephone call, or by a letter, but only if this is known to be the best way.

4. Find out if your proposed type of program might be of interest; get pro and con reactions to special aspects of it; find out if the foundation would entertain a proposal, when is the best time to submit it, and the size of grant considered feasible.

5. Prepare a brief presentation in draft form. Try to review it orally with the foundation's staff, first. Withdraw the proposal for revisions mutually acceptable (if there is evidence of negative reaction). If acceptable, leave the presentation "for preliminary study" by the foundation at the staff level only. Ask for an appointment to discuss it before final draft is prepared and submitted officially. Prepare final draft with covering letter, signed by the President (and/or an influential non-staff board member). Preferably present in person. If mailed, telephone (at staff level) to see if it was received. Make stafflevel follow-up (by telephone, personal call, or letter) at appropriate intervals, for questions or further revisions.

The Importance of Person-to-Person Contact

Protocol must be followed unless otherwise indicated. It is important who makes contact with whom at each stage of negotiations.

Make an alphabetical master file of key contact list. List all known executives and directors of foundations interested in your type of organization, program and project. Circulate this list among your board members, advisory friends, staff, faculty, friends, alumni and volunteers. Find out who knows whom.

Your public relations advisor or consultant, or a writer should be available to develope any opening, opportunity or idea presented by a foundation during personal presentation and negotiations.

A written presentation, as necessary as it is, in itself is not sufficient. Written presentation should be preceded and supplemented wherever possible by personal contact. The basis of all business today, including the business of obtaining grants from foundations, is fundamentally based on personal contact.

Personal contact with a foundation does not mean undue use of persuasion, pressure or influence. It simply means that the best way to get to the heart of the situation is through face-to-face contact. Personal contact is the best way to get the information needed for adapting and

harmonizing the information about your organization with the current interests of the foundation. Personal contact helps to bring the "human element" into the project.

In the last analysis, foundations give to people (such as scholars, teachers, innovators) rather than to organizations, programs and facilities which are only names to those ends deemed important in the serving of people.

If you have "pipe-lines" to the foundation trustees, use them skillfully as legitimate contacts. Warning: Don't overdo it, nor by-pass the foundation staff. Don't ask a trustee to be an intermediary or champion of your cause. Simply seek his counsel and advice.

The Application

The basic facts which an application to a foundation should contain are:

1. Purpose for which funds will be used. History of the purpose, results to be achieved, and an indication of the value of such results. Plans for testing or proving results. (Avoid verbose and emotions argument.)

2. Methods to be followed in the use of the funds.

3. Qualifications of personnel involved. Identify by name, training and past experience.

4. Length of time during which foundation support is desired.

5. The relations of a proposed program to similar programs undertaken elsewhere.

6. A detailed budget for the program including all support which it may recieve. What will be the organization's part of commitment (land, building, space, equipment, utilities, materials, staff time, etc.).

7. A supporting statement why the amount requested cannot be obtained through regular or other channels.

8. What is the reasonable promise of benefit from the proposed program and why is it unlikely to go forward without financial help? Try to show graduated series of decreasing annual payments from the foundation, and gradual increase in support from your organization, and other sources.

Other Check Points and Guide Lines

Before you start, be sure you know exactly what kind of money you are after:

1. Seed money
2. Project grant
3. Conditional grant
4. Endowment
5. General support
6. Token support

Prepare a written proposal which describes and justifies the plan. The proposal should be given as much thought as the original planning of the project.

A sponsoring committee for a specific project can be an asset. Prominent citizens or experts in the field of the project may be used. The committee's major task is simply to review presentations and submit comments.

Do not present the same material to another foundation until the first has made a decision.

Be prepared for turn-downs. Sometimes the original turn-down can be converted to acceptance.

It is a mistake to approach a foundation from a "hand-out" psychology.

The more you get to know foundations the better you will see they want to be generating forces behind the scenes. Some of the wisest and keenest men in the country today are on foundation staffs and boards. To exchange ideas with them is a privilege.

Importance of follow-up work cannot be overemphasized.

Case History No. 1

This is a story which illustrates the need of personal contact.

Columbia University prepared a comprehensive presentation for a project and turned it over to a foundation under good auspices, that is, with good personal connection. After considerable delay, the word was received that nothing was being done about the appeal. It might have been left there and the University might never have received a grant, had not the executive director of the office of development checked further to find out why the foundation had taken no action. The answer was that the fund executives were waiting for someone to come and see them about it. Apparently they felt that unless someone felt strongly enough about the project to come and talk to them about it, it was not worth their while to pursue the matter.

They also said that there were several questions about the presentation on which they wished to have further information, but they had not asked for this information until the checkup.

Consequently, a small delegation went to see the director of the foundation prepared to answer questions. The questions were easily answered, a few adjustments made, and a grant of $40,000.00 was approved.

The lesson to be derived from this experience is that a presentation, as necessary as it is, may not in itself be sufficient. It should be preceded and supplemented, wherever possible, by personal contact.

Case History No. 2

This story illustrates both the role of personal contact and the need of adapting and changing a project in accordance with a foundation's interest.

The development people discovered by calling on the head of a foundation that, although he himself was interested in their organization, his foundation just could not give money for buildings.

So they asked about equipment. The foundation agreed that was a possibility. Thereupon they had the business manager, working with architects and construction firms, prepare a complete list of all forms of equipment which conceivably might be needed. The quantity and the variety in the resulting list surprised everyone. They had this information classified and submitted to the particular foundation in a schedule, and by groupings of the various kinds of equipment which would be needed, ranging in cost all the way from $20,000.00 to almost $150,000.00.

The foundation president, when first seen, had indicated the possibility of a gift of between $25,000.00 and $50,000.00, assuming, of course, that it would not be spent for construction.

After a review of the listed equipment needs and a visit to the institution by two foundation representatives, the foundation granted $52,000.00 (paid in full) for two projects of $30,000.00 and $22,000.00 respectively. They also left the door open for a second gift within twelve months and a third gift within twenty-four months. The president of the foundation has intimated that a grant total of between $100,000.00 and $150,000.00 may be anticipated, if the needs were not met from other sources in the meantime. They weren't met and the foundation followed through on their grants for the total.

Case History No. 3

This is the story of how a flat refusal was reversed and turned into a $100,000.00 gift. It covers almost three years of work on what most persons considered a "hopeless" prospect. The original turn-down was intended by the prospective foundation to slam the door shut for all time.

The foundation's purposes, as officially stated, provided that it "would not give to operating budgets.

Cultivation of this foundation's board and top executive staff began with a series of invitations to special events. Polite, form acknowledgments were made, but none of the invitations was ever accepted.

After several months, the chairman of the board, the director of development, and a scholar from the institution, met informally with the top staff executive of the foundation. General background was reviewed frankly. Reception was cordial and hopes ran high. Printed material and special data were left for review.

Two weeks later, a formal, 14-page presentation for general operating funds signed by the chairman of the board, was made. A copy (for which routine acknowledgment was received) went to the trustee-level contact, covered by a personal note from the chairman.

Six months later they received their first refusal, which stated that the institution was "in such a financial crisis that the situation looks like a hopeless picture . . . not enough evidence of other support . . . too risky for us."

Request was made for a conference with the foundation. During this interview every effort was made to determine what evidence was needed by the foundation to prove its money would not "go down the drain."

The institution then set out to prove that they could marshal enough other support, so that the foundation would not be taking too great "a risk."

Nearly a year later they attempted unsuccessfully to reopen the appeal in person. A new communication, a report on progress, was sent out. Steps taken to undergird a "hopeless" situation (especially evidences of new support) were featured.

This was followed in one week by the second major formal appeal, which requested another personal visit with the top foundation executives.

This third visit was difficult. The foundation was "not impressed" with the accomplishment (including a special gift of $50,000.00). The foundation executive said he saw "no chance of our getting anything."

At this point in the conference, the institution's representatives (professional counsel, actually) let go with every conceivable argument, emotional as well as rational, in support of the case, and in bold, firm, challenging terms. (After all, by this time, they thought they had little to lose.) As it turned out, this forceful, frank talk, without the kid gloves, but with dignity and respect, turned the tide. For the first time, apparently, they had done full justice to their case.

Thirty days later, a check for $100,000.00 arrived in the mail. Despite the supposed restrictions against the foundation's doing so, the gift was for operating purposes.

V. A Special Plan for Use by Individuals

There are many unique plans being devised for use by individual donors for the support of higher education. Most famous of these may be the Pomona Plan as devised by Pomona College.[5] This particular area of interest may be the most significant resource of funds for philanthropy in the coming years. The Gift Annuity Agreement, Short Term Trusts, Life Income Agreements, and other unique plans are rapidly gaining interest. While it would be impractical to attempt consideration of all of these types of special methods of private support, one is outlined here as an exhibit.

Example

Mr. Jones is 45 years of age, single. He holds stock which was left to him by his father. It was valued at $10,000.00 when he received it. It is now worth $300,000.00.

Mr. Jones's annual income is $60,000.00. The stock is going bad and he wants to sell it. If he does, he will pay $72,500.00 in Federal capital gains tax, leaving him $227,500.00.

Mr Jones can put the stock in an Irrevocable Charitable Trust.

1. He will receive the income earned by the trust for his life. After his life, the entire amount goes to the junior college.

2. The trust can sell the stock and invest it in something else and no one pays any capital gains tax.

3. Mr. Jones receives a savings on his income tax of $65,760.00.

4. Mr. Jones has made a significant contribution to his community through the junior college.

What did it cost Mr. Jones?

Capital Gains Taxes saved	$ 72,500.00
Income Taxes saved	65,760.00
20 years' income on the $72,500 that he otherwise would not have received @ 7%	101,500.00
Total savings	$239,760.00

In addition, all of the income from the trust for the first six years will be taxed at a lower rate than by any other plan.

Savings of $239,760.00 minus Federal capital gains tax of $227,500.00 equals $12,260.00. Mr. Jones actually comes out $12,260.00 ahead.

Plus -- his income tax is lower on the trust income for the first six years;

Plus -- he saves a proportional amount in state taxes;

Plus -- the trust property may be sold and reinvested as many times as prudent without ever paying any capital gains tax;

Plus -- he receives the income from the capital gain in the trust fund;

Plus -- he saves $11,760.00 in probate fees at his death;

Plus -- he saves $62,700.00 in Federal estate tax and $65,934.00 in state death taxes, which equals $128,634.00, assuming he was going to leave the property to a friend;

Plus -- he has the possiblity of earning more than 7% because of the trust's ability to sell and reinvest the trust assets at any time without loss due to taxes.

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